



4004

ANNUAL REPORT

OF

Name: HILLSBORO TELEPHONE CO, INC.

Principal Office: 121 MILL ST
P.O. BOX 427
HILLSBORO, WI 54634-0427

For the Year Ended: DECEMBER 31, 2001

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;
Filing the Completed Report:**

GENERAL RULES FOR REPORTING

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. Name Changes:

If a name change is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at www.wdfi.org; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), a name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

SIGNATURE PAGE

I MR. CHARLES HAMMER of
(Person responsible for accounts)

HILLSBORO TELEPHONE CO, INC. , certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MR. CHARLES HAMMER 03/29/2002
(Person responsible for accounts) (Date)

VICE PRESIDENT - MANAGER
(Title)

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Officers and Directors	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Retained Earnings (Acct. 4550)	37
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expenses - Class A & B	41
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts	44
Nonregulated Activities	45
Distribution of Salaries and Wages	46
Employee Data - End of Year	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: HILLSBORO TELEPHONE CO, INC.
Utility Location: 121 MILL ST
P.O. BOX 427
HILLSBORO, WI 54634-0427

Utility Web Site Address: www.hillsborotel.com

When was utility organized?: 06/30/1956

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR CHARLES HAMMER
Title: VICE PRESIDENT - MANAGER

Office Address: 121 MILL STREET
P.O. BOX 427
HILLSBORO, WI 54634

Fax Number: (608) 489 - 1111
Telephone Number: (608) 489 - 2100
Email Address: cehammer@hillsborotel.com

Individual or firm, if other than utility employee, preparing this report

Name: MR DENNIS E. HILDEBRANDT
Title: CERTIFIED PUBLIC ACCOUNTANT
Firm: SIEPERT & CO. LLP
Office Address: 1920 WEST HART ROAD
BELOIT, WI 53511

H

Fax Number: (608) 364 - 8727
Telephone Number: (608) 365 - 2266
Email Address: dhildebrandt@charter.net

Person responsible for financial information contained in report

Name: MRS CARLA SHAKER
Title: TREASURER

Office Address: 121 MILL STREET
P.O. BOX 427
HILLSBORO, WI 54634

Fax Number: (608) 489 - 1111
Telephone Number: (608) 489 - 2100
Email Address: cjshaker@hillsborotel.com

Person responsible for statistical information contained in report

Name: MR CHARLES HAMMER
Title: VICE PRESIDENT - MANAGER

Office Address: 121 MILL STREET
P.O. BOX 427
HILLSBORO, WI 54634

Fax Number: (608) 489 - 1111
Telephone Number: (608) 489 - 2100
Email Address: cehammer@hillsborotel.com

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: CARLA SHAKER
Address: 121 MILL STREET
HILLSBORO, WI 54634

Number of Shares Held: 57
Beneficial Owner: NONE

Name: EDWARD & LILLIAN HAMMER
Address: 121 MILL STREET
HILLSBORO, WI 54634

Number of Shares Held: 417
Beneficial Owner: NONE

Name: EUGENE ROCKWEILER
Address: 850 HILLSBOROUGH AVENUE
HILLSBORO, WI 54634

Number of Shares Held: 52
Beneficial Owner: NONE

Name: UNIVERSAL TELEPHONE CO.
Address: 2615 EAST AVENUE SOUTH
LA CROSSE, WI 54602

Number of Shares Held: 250
Beneficial Owner: NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name: VERNEAU NETWORKS, INC.
Form of Interest: EQUITY
Extent Of Interest: 100 % OWNERSHIP

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: CARLA SHAKER Title/Occupation: SECRETARY AND TREASURER Business Address (1): 121 MILL STREET Business Address (2): Business Address (3): City State, Zip: HILLSBORO, WI 54634	1
Name: CHARLES HAMMER Title/Occupation: VICE PRESIDENT AND GENERAL MANAGER Business Address (1): 121 MILL STREET Business Address (2): Business Address (3): City State, Zip: HILLSBORO, WI 54634	2
Name: DONALD HAMMER Title/Occupation: DIRECTOR Business Address (1): 121 MILL STREET Business Address (2): Business Address (3): City State, Zip: HILLSBORO, WI 54634	3
Name: EDWARD HAMMER Title/Occupation: PRESIDENT Business Address (1): 121 MILL STREET Business Address (2): Business Address (3): City State, Zip: HILLSBORO, WI 54634	4
Name: LILLIAN HAMMER Title/Occupation: DIRECTOR Business Address (1): 121 MILL STREET Business Address (2): Business Address (3): City State, Zip: HILLSBORO, WI 54634	5

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	1,451,288	1,455,383	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	282,254	239,213	2
Plant Nonspecific Operations Expense	509,282	478,077	3
Customer Operations Expense (6610-6620)	159,687	183,871	4
Corporate Operations Expense (6710-6790)	214,686	218,471	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	116,637	117,984	7
Total Operating Expenses	1,282,546	1,237,616	8
Net Operating Income	168,742	217,767	9
Other Income			
Nonoperating Income and Expense (7300)	1,224,577	385,251	10
Nonoperating Taxes (7400)	497,515	153,840	11
Interest and Related Items (7500)	120,391	110,551	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	17,603	28,828	14
Total Nonoperating Income	624,274	149,688	15
Net Income	793,016	367,455	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

1. SIGNIFICANT ACCOUNTING POLICIES:

A. TELEPHONE PLANT IS RECORDED AT ORIGINAL COST. DEPRECIATION IS COMPUTED ON THE STRAIGHT-LINE BASIS BY APPLYING A RATE TO GROUP ACCOUNT ASSETS.

B. THE COMPANY HAS ELECTED TO DEFER INCOME TAX SAVINGS EARNED BY INVESTMENT TAX CREDIT AND IS AMORTIZING THOSE OVER THE SERVICE LIFE ON WHICH THE ITC WAS GENERATED.

C. FOR INCOME TAX PURPOSES, THE COMPANY UTILIZES ACCELERATED METHODS FOR DEPRECIATION. THE INCOME TAX SAVINGS ON THESE TIMING DIFFERENCES HAS BEEN NORMALIZED THROUGH INCOME TAX EXPENSE.

D. THE COMPANY HAS A DEFINED CONTRIBUTION PENSION PLAN WHICH IS ADMINISTERED BY A TRUSTE AND COVERS ALL ELIGIBLE EMPLOYEES. PENSION PLAN EXPENSE FOR 2001 AMOUNTED TO \$38,798.

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

3. RETAINED EARNINGS RESTRICTIONS:

UNDER THE MOST RESTRICTIVE PROVISIONS OF THE COMPANY'S RURAL UTILITIES SERVICE (RUS) LOAN AGREEMENT, APPROXIMATELY \$1,753,000 OF THE RETAINED EARNINGS IS AVAILABLE FOR DIVIDENDS.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	1,039,251	636,411	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	1,039,251	636,411	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	10,341	81,547	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	10,341	81,547	
Other Accounts Receivable (1190)*	106,150	40,349	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	106,150	40,349	
Notes Receivable (1200)*			10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	7,561	14,084	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	124,052	135,980	
SUPPLIES			
Inventories (1220)*	47,408	98,183	13
TOTAL SUPPLIES	47,408	98,183	
PREPAYMENTS			
Total Prepayments (1280)*	12,429	104,797	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	12,429	104,797	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*			20
TOTAL OTHER CURRENT ASSETS	0	0	
TOTAL CURRENT ASSETS	1,223,140	975,371	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	469,433	463,091	21
RTB Class B Stock (1402)*			22
Other Investments in Nonaffiliated Companies (1402)*			23
Nonregulated Investments (1406)*	32,639	34,338	24
Unamortized Debt Issuance Expense (1407)*	13,202	13,977	25
Sinking Funds (1408)*			26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	607,195	607,195	27
TOTAL INVESTMENTS	1,122,469	1,118,601	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*			29
Deferred Charges (1439)*			30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	1,122,469	1,118,601	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	7,111,299	6,102,985	31
Less: Accumulated Depreciation (3100)*	3,886,888	3,533,944	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	3,224,411	2,569,041	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	71,350	71,350	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			37
NET PROPERTY HELD FOR FUTURE USE	71,350	71,350	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			38
Less: Accumulated Depreciation--Nonoperating (3300)*			39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	157,974	129,703	40
TOTAL TPUC	157,974	129,703	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	3,453,735	2,770,094	
TOTAL ASSETS AND OTHER DEBITS	5,799,344	4,864,066	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	220,551	178,455	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*	23,240	23,457	3
Customer Deposits (4040)*	150	650	4
Current Maturities--Long-Term Debt (4050)*	140,500	119,500	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	26,149		7
Other Taxes--Accrued (4080)*			8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	5,825	7,215	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES	416,415	329,277	
LONG-TERM DEBT			
Funded Debt (4210)*	2,191,822	2,099,700	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*			19
TOTAL LONG-TERM DEBT	2,191,822	2,099,700	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	57,941	80,370	20
Unamortized Operating ITC--Net (4320)*	3,462	6,917	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	(21,308)	(28,093)	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(350,726)	(334,265)	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*	11,431	11,431	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	(299,200)	(263,640)	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	108,900	108,900	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	5,300	5,300	30
Other Capital (4540)*			31
Retained Earnings (4550)*	3,386,707	2,595,129	32
TOTAL STOCKHOLDERS' EQUITY	3,490,307	2,698,729	
TOTAL LIABILITIES AND OTHER CREDITS	5,799,344	4,864,066	

IMPORTANT CHANGES DURING THE YEAR

-
1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

NONE

-
2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

NONE

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
COMPUTER SYSTEMS, LLC	CS	1
VERNEAU NETWORKS, INC.	VNI	2

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)
Docket	2560AT000100	Various		
Name of Affiliate	CS	VNI		1
Designate whether billed to or from:	FROM	TO		2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	C		3
Total Dollar Activity	---CONF---	---CONF---		4
Percent of affiliate's business billed to all affiliated regulated utilities	---CONF---	---CONF---		5
If cost based, rate of return on equity or markup incorporated in billings	---CONF---	---CONF---		6
Footnotes				

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	49,379		1
Motor Vehicles	2112	441,471	31,150	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	97,901	4,537	6
Buildings	2121	438,436	150,892	7
Furniture	2122	5,472		8
Office Equipment	2123	34,481	0	9
General Purpose Computers	2124	148,544	17,695	10
TOTAL--GENERAL SUPPORT ASSETS:		1,215,684	204,274	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,101,163	13,008	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	942,330	244,420	16 A
TOTAL--CENTRAL OFFICE ASSETS:		2,043,493	257,428	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		0	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	0		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	39,745	40,251	24
Buried Cable	2423	2,760,291	579,260	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	43,334		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		2,843,370	619,511	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			49,379	1
2112	10,759		461,862	2
2113			0	3
2114			0	4
2115			0	5
2116	2,598		99,840	6
2121	11,873		577,455	7
2122			5,472	8
2123	0	0	34,481	9
2124	37,020		129,219	10
	62,250	0	1,357,708	
2211			0	11
2212	0	(33,345)	1,080,826	12 A
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	33,345	1,220,095	16 A
	0	0	2,300,921	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			0	22
2421	0	0	0	23
2422	0	0	79,996	24
2423	10,649	0	3,328,902	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			43,334	30
	10,649	0	3,452,232	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	438	33
TOTAL--AMORTIZABLE ASSETS:		438	0
TOTAL TELECOM. PLANT IN SERVICE	2001	6,102,985	1,081,213
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			438	33
	0	0	438	
	72,899	0	7,111,299	
2001			0	34
			7,111,299	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	21,018		1
Company Communications Equipment	2123.2	13,463		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	1,101,163	13,008	4 A
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	571,311	244,420	10 A
Analog Circuit Equipment	2232.2	50,213		11
Light Wave Circuit Equipment	2232.3	320,806		12 A
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	0		14
Underground Cable - Nonmetallic	2422.1	22,135	40,251	15
Underground Cable - Metallic	2422.2	17,610		16
Buried Cable - Nonmetallic	2423.1	627,724	357,917	17
Buried Cable - Metallic	2423.2	2,132,567	221,343	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			21,018	1
2123.2			13,463	2
2212.1			0	3
2212.2		(33,345)	1,080,826	4 A
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1		24,758	840,489	10 A
2232.2			50,213	11
2232.3		8,587	329,393	12 A
2421.1			0	13
2421.2			0	14
2422.1			62,386	15
2422.2			17,610	16
2423.1			985,641	17
2423.2	10,649		2,343,261	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
GENERAL SUPPORT ASSETS						
Motor Vehicles	2112	394,038	9.29	17,681		1
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	97,037	10.0	1,062		5
Buildings	2121	161,679	3.33	16,915		6
Furniture	2122	4,936	10.0	269		7
Office Equipment	2123	23,998	15.0	4,015		8
General Purpose Computers	2124	118,323	25.0	34,092		9
Total-- GENERAL SUPPORT ASSETS		800,011		74,034		0
CENTRAL OFFICE ASSETS						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	821,663	9.5	104,574		11
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	336,550	21.0	101,764		15
Total-- CENTRAL OFFICE ASSETS		1,158,213		206,338		0
INFORMATION ORIG/TERM ASSETS						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0				19
Other Terminal Equipment	2362	0				20
Total-- INFORMATION ORIG/TERM ASSETS		0		0		0
CABLE WIRE FACILITIES ASSETS						
Poles	2411	0				21
Aerial Cable	2421	0				22
Underground Cable	2422	12,251	5.3	2,107		23
Buried Cable	2423	1,534,866	5.3	146,492		24
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	0				28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	28,603	3.3	1,430	29
Total-- CABLE WIRE FACILITIES ASSETS		1,575,720		150,029	0
Total Accumulated Depreciation	3100	3,533,944		430,401	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	10,759				400,960	1
2113					0	2
2114					0	3
2115					0	4
2116	2,598				95,501	5
2121	11,873				166,721	6
2122					5,205	7
2123	0				28,013	8
2124	37,020				115,395	9
	62,250	0	0	0	811,795	
2211					0	10
2212	0				926,237	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0				438,314	15
	0	0	0	0	1,364,551	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411					0	21
2421	0				0	22
2422	0				14,358	23
2423	10,649	4,558			1,666,151	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					30,033	29
	10,649	4,558	0	0	1,710,542	
3100	72,899	4,558	0	0	3,886,888	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	15,958	15.0	1,326	1
Company Communications Equipment	2123.2	8,040	20.0	2,689	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	821,663	9.7	104,574	4
Digital Switching - Remote	2212.3	0			5
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	194,514	11.6	70,702	10
Analog Circuit Equipment	2232.2	50,213	21.0		11
Light Wave Circuit Equipment	2232.3	91,823	9.5	31,062	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	0			14
Underground Cable - Nonmetallic	2422.1	585	5.3	1,173	15
Underground Cable - Metallic	2422.2	11,666	5.3	934	16
Buried Cable - Nonmetallic	2423.1	147,965	5.3	33,267	17
Buried Cable - Metallic	2423.2	1,386,901	5.3	113,225	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					17,284	1
2123.2					10,729	2
2212.1					0	3
2212.2					926,237	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					265,216	10
2232.2					50,213	11
2232.3					122,885	12
2421.1					0	13
2421.2					0	14
2422.1					1,758	15
2422.2					12,600	16
2423.1					181,232	17
2423.2	10,649	4,558			1,484,919	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts.
Credit amounts should be shown in ().

Particulars (a)	Balance EOY (b)	
PROPERTY RELATED		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	14,130	5
Net Deferred Tax Liability Adjustments (4341)		6
Deferred Tax Regulatory Liability (4361)	(13,360)	7
Net Property Related Deferred Operating Income Taxes	770	
Less: Allocation to Nonregulated Activity	0	8
Net Regulated Total Property Related Deferred Operating Income Taxes	770	
NONPROPERTY RELATED		
Other Current Assets (1350)		9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)	7,178	13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)	1,929	15
Total Nonproperty Related Deferred Operating Income Taxes	9,107	

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	2,595,129	2,233,890	1
Changes:			
Balance Transferred from Income	797,794	367,455	2
Dividends Declared:			
Common	6,216	6,216	3
Preferred		0	4
Total Dividends Declared	6,216	6,216	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>3,386,707</u>	<u>2,595,129</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	535,274	522,053	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	535,274	522,053	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	86,040	84,723	11
Switched Access Revenue (5082)*	466,308	491,845	12
Special Access Revenue (5083)*			13
TOTAL INTERSTATE ACCESS REVENUES (5080)	552,348	576,568	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	262,657	298,787	15
Special Access Revenue (5084.3)*			16
TOTAL INTRASTATE ACCESS REVENUES (5084)	262,657	298,787	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	572	297	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	572	297	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	---CONF---	---CONF---	30
Rent Revenue (5240)*	---CONF---	---CONF---	31 B
Corporate Operations Revenue (5250)*	---CONF---	---CONF---	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	---CONF---	---CONF---	33 C
Special Billing Arrangements Revenue (5261)	---CONF---	---CONF---	34
Customer Operations Revenue (5262)	---CONF---	---CONF---	35
Plant Operations Revenue (5263)	---CONF---	---CONF---	36
Other Incidental Regulated Revenue (5264)	---CONF---	---CONF---	37
Other Revenue Settlements (5269)	---CONF---	---CONF---	38
Total Miscellaneous Revenue (5260)	---CONF---	---CONF---	
Interstate Billing and Collection Revenue*	---CONF---	---CONF---	39
Intrastate Billing and Collection Revenue*	---CONF---	---CONF---	40 D
Total Carrier Billing and Collection Revenue (5270)*	---CONF---	---CONF---	
Nonregulated Operating Revenue (5280)**	---CONF---	---CONF---	41
TOTAL MISCELLANEOUS REVENUES	101,552	57,678	
GROSS OPERATING REVENUES	1,452,403	1,455,383	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,115	0	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,115	0	
TOTAL OPERATING REVENUES	1,451,288	1,455,383	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)		0	1
Less: Nonregulated		0	2
Net Regulated	0	0	3
Total General Support Expense (6120)	75,654	51,287	4
Less: Nonregulated		0	5 E
Net Regulated	75,654	51,287	6
Total Central Office Switching Expense (6210)	118,103	108,409	7
Less: Nonregulated		0	8
Net Regulated	118,103	108,409	9
Total Operator Systems Expense (6220)		0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	32,918	31,266	13
Less: Nonregulated		0	14
Net Regulated	32,918	31,266	15
Total Information Orig. / Term. Expense (6310)		0	16
Less: Nonregulated		0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	55,579	48,251	19
Less: Nonregulated		0	20
Net Regulated	55,579	48,251	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	282,254	239,213	
Less: Nonregulated	0	0	
Net Regulated	282,254	239,213	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)		0	22
Less: Nonregulated		0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	68,568	70,903	25
Less: Nonregulated		0	26
Net Regulated	68,568	70,903	27
Access Expense (6540)	7,924	6,031	28
Less: Nonregulated		0	29
Net Regulated	7,924	6,031	30
Total Depreciation and Amortization Expense (6560)	430,401	403,397	31
Less: Nonregulated	2,389	2,254	32
Net Regulated	428,012	401,143	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	506,893	480,331	
Less: Nonregulated	2,389	2,254	
Net Regulated	504,504	478,077	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	757	1,308	34
Less: Nonregulated		0	35
Net Regulated	757	1,308	36
Total Services (6620)	158,930	182,563	37
Less: Nonregulated		0	38
Net Regulated	158,930	182,563	39
TOTAL CUSTOMER OPERATIONS EXPENSE	159,687	183,871	
Less: Nonregulated	0	0	
Net Regulated	159,687	183,871	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	69,464	72,245	40
Less: Nonregulated		0	41
Net Regulated	69,464	72,245	42
Total General and Administrative (6720)	145,222	146,226	43
Less: Nonregulated		0	44
Net Regulated	145,222	146,226	45
Provision for Uncollectible Notes Receiv. (6790)		0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	214,686	218,471	
Less: Nonregulated	0	0	
Net Regulated	214,686	218,471	
TOTAL EXPENSES	1,163,520	1,121,886	
Less: Nonregulated	2,389	2,254	
Net Regulated	1,161,131	1,119,632	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)		0	1
Provisioning Expense (6512)		0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	430,401	403,397	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		0	7
Total: Reported in Account 6560	430,401	403,397	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,452,403	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	1,115	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,451,288	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	535,274	1
Plus: Total Intrastate Access Revenues (5084)	262,657	2
Plus: Total Long Distance Network Services Revenue	572	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify): NONE	---CONF---	6
Assessable Revenues for Universal Service Fund Assessment Purposes	---CONF---	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	1,452,403	1
Plus: Collection of amounts previously written off		2
Less: Uncollectibles written off during the year	1,115	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	1,451,288	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	535,274	1
Plus: Total Intrastate Access Revenues (5084)	262,657	2
Plus: Total Long Distance Network Services Revenue	572	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify): NONE	---CONF---	6
Assessable Revenues for Universal Service Fund Assessment Purposes	---CONF---	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)			1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(3,455)	(4,865)	2
Operating Federal Income Taxes (7220)	34,908	58,285	3
Operating State and Local Income Taxes (7230)	5,679	11,711	4
Operating Other Taxes (7240)	72,720	60,375	5
Provision for Deferred Operating Income Taxes--Net (7250)	6,785	(7,522)	6
TOTAL OPERATING TAXES (7200)	116,637	117,984	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)			7
Interest Income (7320)	30,806	40,329	8
Income from Sinking and Other Funds (7330)			9
Allowance for Funds Used During Construction (7340)	20,995	7,297	10
Gains or (Losses) from the Disposition of Certain Property (7350)			11
Other Nonoperating Income (7360)	1,174,144	338,859	12
Special Charges (7370)	1,368	1,234	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	1,224,577	385,251	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	497,515	153,840	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	120,391	110,551	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)			16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	17,603	28,828	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
---CONF---	1
---CONF---	2
---CONF---	3

DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	283,374	1
All Other Accounts	51,516	2
Total Salaries and Wages	334,890	3 F

EMPLOYEE DATA - END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)	
Plant Operations		
Supervisory & Management	1	1
Central Office	1	2
Outside Plant	1	3
Building & Service	1	4
Other		5
Customer Operations		
Supervisory & Management	1	6
Operators		7
Business Office	1	8
Other		9
Corporate Operations		
Executive & General Management	1	10
Accounting & Finance	1	11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
Other		
All Other Employees, Not Listed Above		19
Total Employees	8	
Part-Time Employees	1	20
Full-Time Employees	7	21
Total Part-Time and Full-Time Employees	8	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	---CONF---	---CONF---	1
Extended Area Service	---CONF---	---CONF---	2
Extended Community Calling	---CONF---	---CONF---	3
Other Local-Undefined	---CONF---	---CONF---	4
Total Local	240	1,068	
TOLL			
Toll	205	729	5
Total Toll	205	729	
Total Local & Toll	445	1,797	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	1
Feature Group A -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	2
Feature Group B -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	3
Feature Group B -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	4
Feature Group C -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	5
Feature Group C -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	6
Feature Group D -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	7
Feature Group D -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	54	1
Strand miles of plant - fiber optics	1,038	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1 G
56 kbps	---CONF---	---CONF---	2
64 kbps (DS0)	---CONF---	---CONF---	3 G
1.54 Mbps (DS-1)	---CONF---	---CONF---	4 G
45 Mbps (DS-3)	---CONF---	---CONF---	5 G
SONET OC-1	---CONF---	---CONF---	6
SONET OC-3	---CONF---	---CONF---	7
SONET OC-12	---CONF---	---CONF---	8
SONET OC-48	---CONF---	---CONF---	9
SONET OC-192	---CONF---	---CONF---	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	54	1
Strand miles of plant - fiber optics	1,038	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1 G
56 kbps	---CONF---	---CONF---	2
64 kbps (DS0)	---CONF---	---CONF---	3 G
1.54 Mbps (DS-1)	---CONF---	---CONF---	4 G
45 Mbps (DS-3)	---CONF---	---CONF---	5 G
SONET OC-1	---CONF---	---CONF---	6
SONET OC-3	---CONF---	---CONF---	7
SONET OC-12	---CONF---	---CONF---	8
SONET OC-48	---CONF---	---CONF---	9
SONET OC-192	---CONF---	---CONF---	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	---CONF---	---CONF---	3
2 Party	---CONF---	---CONF---	4
4 Party	---CONF---	---CONF---	5
PBX Trunks/System Trunks	---CONF---	---CONF---	6
Centrex Trunks	---CONF---	---CONF---	7
Centrex Lines	---CONF---	---CONF---	8
Key System Trunks	---CONF---	---CONF---	9
Mobile (Utility Provided Service)	---CONF---	---CONF---	10
Paging (Utility Provided Service)	---CONF---	---CONF---	11
FX-Out (Switched)	---CONF---	---CONF---	12
Pay Telephone	---CONF---	---CONF---	13
Coin-Operated Pay Telephone	---CONF---	---CONF---	14
Independent Pay Telephone Provider	---CONF---	---CONF---	15
Other	---CONF---	---CONF---	16
Total Business Lines	416	409	17
Residential (Incl. Emp. Concess.)			
1 Party	---CONF---	---CONF---	19
2 Party	---CONF---	---CONF---	20
4 Party	---CONF---	---CONF---	21
FX-Out (Switched)	---CONF---	---CONF---	22
Other	---CONF---	---CONF---	23
Total Residential Lines	1,325	1,306	24
Total Bus & Res Lines	1,741	1,715	25
Company Used Lines	7	7	26
Total Lines Used	1,748	1,722	27

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	---CONF---	---CONF---	3
WATS Lines - 800 Service	---CONF---	---CONF---	4
FX-In-intraLATA	---CONF---	---CONF---	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	---CONF---	---CONF---	7
Special Access-interLATA			8
(expressed in equiv. access lines)	---CONF---	---CONF---	9
Feature Group A Lines	---CONF---	---CONF---	10
Feature Group B Trunks	---CONF---	---CONF---	11
Feature Group C Trunks	---CONF---	---CONF---	12
Feature Group D Trunks	---CONF---	---CONF---	13
TSPS - Trunks	---CONF---	---CONF---	14
EAS - Trunks	96	118	15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	16
Video Distance Learning	1	1	17
- discounted (special tariff)			18
Customers			
Lifeline Customers	67	78	19
Linkup Customers	0	0	20
Other			
Total Company Square Miles	114	114	21
Total Company Route Miles	234	253	22
Footnotes			23
			24
			25

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2370				1
Business					2
1 Party	---CONF---				3
2 Party	---CONF---				4
4 Party	---CONF---				5
PBX Trunks/System Trunks	---CONF---				6
Centrex Trunks	---CONF---				7
Centrex Lines	---CONF---				8
Key System Trunks	---CONF---				9
Mobile (utility provided service)	---CONF---				10
Paging (utility provided service)	---CONF---				11
FX-Out (Switched)	---CONF---				12
Pay Telephone	---CONF---				13
Coin-Operated Pay Telephone	---CONF---				14
Independent Pay Telephone Provider	---CONF---				15
Other	---CONF---				16
Total Business Lines	409	0	0	0	17
Residential (Incl. Emp. Concess.)					18
1 Party	---CONF---				19
2 Party	---CONF---				20
4 Party	---CONF---				21
FX-Out (Switched)	---CONF---				22
Other	---CONF---				23
Total Residential Lines	1,306	0	0	0	24
Total Bus & Res Lines	1,715	0	0	0	25
Company Used Lines	7				26
Total Lines Used	1,722	0	0	0	27

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2370				1
Miscellaneous					2
WATS Lines - OutWATS	---CONF---				3
WATS Lines - 800 Service	---CONF---				4
FX-In-intraLATA	---CONF---				5
Special Access-intraLATA					6
(equiv. access lines)	---CONF---				7
Special Access-interLATA					8
(equiv. access lines)	---CONF---				9
Feature Group A Lines	---CONF---				10
Feature Group B Trunks	---CONF---				11
Feature Group C Trunks	---CONF---				12
Feature Group D Trunks	---CONF---				13
TSPS - Trunks	---CONF---				14
EAS - Trunks	118				15
Cellular Trunks (Pub. Sw. Net.)	---CONF---				16
Video Distance Learning					17
- discounted (special tariff)	1				18
Other					19
Exchange Square Miles	114				20
Exchange Route Miles	253				21
Footnotes					22

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
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Lucent	ATT/LUC	5
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Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	HILLSBORO				1
PSCW Exchange ID	2370				2
Central Office Name	HILLSBORO				3
PSCW Central Office ID	1				4
Central Office CLLI Code	HLBOWIXA489				5
Manufacturer of COE (Page 54)	NTI				6
Year COE Installed	1985				7
Type of Equipment (Page 54)	D				8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	S				9
Remote Host PSCW Exchange ID					10
Remote Host PSCW Central Office ID					11
COE Generic Software Release No.	501				12
SS7?	Yes				13
9-1-1?	Yes				14
Access Lines - In Use	1,722				15
- Equipped	2,450				16
- Wired	2,450				17
Trunks - In Use	342				18
- Equipped	432				19
- Wired	624				20
ISDN Available?	Yes				21
ISDN Lines - In Use (BRI)	---CONF---				22
- In Use (PRI)	---CONF---				23
XDSL Available?	Yes				24
- In Use (# lines)	---CONF---				25
Switched 56 Service?	No				26
Switched 56 lines in use	---CONF---				27
Digital Transmission Facilities: DS-1 - In Use	---CONF---				28
DS-3 - In Use	---CONF---				29
Advanced Data Service Available:					
Packet Switching?	No				30
SMDS?	No				31
Frame Relay?	No				32
ATM (Asynchronous Trans. Mode)?	No				33
Video Information - Service Available?	No				34
- In Use (# lines) ¹	---CONF---				35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	160				36
No. of fiber strands working (LIT) in C.O.	---CONF---				37
No. of fiber strands for interoffice use	26				38
Miles of fiber sheath in wire center	54				39
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON				40
- PSCW C.O. ID	3080-01				41
Does this C.O. do access tandem switching?	No				42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A)** Page 22 & 24 - Reclassification of equipment from digital switching equipment to digital circuit equipment and light wave circuit equipment for proper classification.
- B)** Page 40 - Rent Revenue - Increase due to new fiber optic lease agreements and central office collocation agreements during 2001.
- C)** Page 40 - Miscellaneous Revenue - Increase due to new lease with affiliate company in 2001.
- D)** Page 40 - Intrastate Billing and Collection Revenue - New billing and collection revenue for affiliate company in 2001.
- E)** Page 41 - General Support Expenses - Increase is due to additional costs of clearing out the old building to prepare for demolition, remodeling of the central office, purchasing more hard drives and computer replacement parts damaged by lightening strikes during 2001.
- F)** Page 46 - Regulated Wages and Salaries reported on page 46 is less than the Total Net Regulated Expense reported on page 41.
- G)** Page 49 - Special Access Circuits in Use at End of Year - Telephone Company did not have any Voice Grade Interlata, 64kbps (DS0) Interlata, 64kbps (DS0) Intralata, 1.54 Mbps (DS-1) Intralata, or 45 Mbps (DS-3) Intralata circuits at the end of 2001.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

H) Board of Directors
HILLSBORO TELEPHONE CO., INC.
Hillsboro, Wisconsin

The Balance Sheets of Hillsboro Telephone Company as of December 31, 2001 and 2000 and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed forms have been compiled by us. We have also compiled the financial and nonfinancial data included on pages 13 through 56 of the prescribed forms.

Our compilations were limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information which is the representation of management. We have not audited or reviewed the financial statements or accompanying data referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Service Commission of Wisconsin and do not include the statement of cash flows and all of the disclosures required by generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SIEPERT & CO. LLP
Certified Public Accountants

Beloit, Wisconsin

March 26, 2002